

**STATE FIRE AND TORNADO FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2006**

	August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	FYTD	FY06	Ended	Ended
				Net ROR				Net ROR	Net	Net	6/30/2006	6/30/2006
											Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	716,571	2.6%	2.8%	2.18%	634,238	2.6%	2.8%	-3.69%	-1.59%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>716,571</b>	<b>2.6%</b>	<b>2.8%</b>	<b>2.18%</b>	<b>634,238</b>	<b>2.6%</b>	<b>2.8%</b>	<b>-3.69%</b>	<b>-1.59%</b>	<b>11.12%</b>	<b>12.01%</b>	<b>-0.32%</b>
<i>Russell 1000 Growth</i>				3.12%				-1.90%	1.16%	6.12%	8.35%	-0.76%
<i>Structured Value</i>												
LSV	800,236	2.9%	2.8%	0.96%	717,027	2.9%	2.8%	2.03%	3.00%	15.05%	21.14%	12.22%
<i>Russell 1000 Value</i>				1.67%				2.43%	4.14%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	1,436,652	5.3%	5.6%	2.07%	1,272,863	5.1%	5.6%	-1.08%	0.97%	11.58%	N/A	N/A
<i>Russell 1000</i>				2.40%				0.22%	2.62%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>												
Westridge	1,725,119	6.3%	5.6%	2.41%	1,523,503	6.2%	5.6%	0.65%	3.07%	8.77%	N/A	N/A
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	N/A	N/A
<i>Index</i>												
State Street	532,899			2.06%	472,072			0.85%	2.93%	9.51%	11.47%	2.62%
<b>Total Index</b>	<b>532,899</b>	<b>2.0%</b>	<b>1.9%</b>	<b>2.06%</b>	<b>472,072</b>	<b>1.9%</b>	<b>1.9%</b>	<b>0.85%</b>	<b>2.93%</b>	<b>9.51%</b>	<b>11.47%</b>	<b>2.62%</b>
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>5,211,477</b>	<b>19.2%</b>	<b>18.8%</b>	<b>2.02%</b>	<b>4,619,703</b>	<b>18.7%</b>	<b>18.8%</b>	<b>-0.22%</b>	<b>1.79%</b>	<b>10.95%</b>	<b>13.63%</b>	<b>3.95%</b>
<i>S&amp;P 500</i>				2.38%				0.62%	3.01%	8.63%	11.22%	2.49%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	1,744,212	6.4%	6.3%	2.34%	1,475,526	6.0%	6.3%	-3.55%	-1.29%	13.58%	18.20%	7.84%
<i>Russell 2000 + 200bp</i>				3.13%				-3.09%	-0.06%	16.86%	21.06%	10.38%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>1,744,212</b>	<b>6.4%</b>	<b>6.3%</b>	<b>2.34%</b>	<b>1,475,526</b>	<b>6.0%</b>	<b>6.3%</b>	<b>-3.55%</b>	<b>-1.29%</b>	<b>13.58%</b>	<b>18.20%</b>	<b>7.86%</b>
<i>Russell 2000</i>				2.96%				-3.25%	-0.39%	14.58%	18.70%	8.50%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
Capital Guardian	1,151,756	4.2%	4.0%	3.54%	993,850	4.0%	4.0%	0.77%	4.34%	28.07%	20.99%	6.90%
LSV	1,110,414	4.1%	4.0%	3.02%	963,368	3.9%	4.0%	1.24%	4.29%	27.09%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>2,262,170</b>	<b>8.3%</b>	<b>8.0%</b>	<b>3.28%</b>	<b>1,957,218</b>	<b>7.9%</b>	<b>8.0%</b>	<b>1.00%</b>	<b>4.31%</b>	<b>27.66%</b>	<b>21.92%</b>	<b>12.63%</b>
<i>MSCI EAFE - 50% Hedged</i>				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>												
Lazard	268,391	1.0%	1.0%	2.80%	233,055	0.9%	1.0%	-2.41%	0.32%	23.65%	28.06%	N/A
<i>Citigroup Broad Market Index &lt; \$2BN</i>				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>												
Vanguard	273,055	1.0%	1.0%	2.36%	238,183	1.0%	1.0%	-0.50%	1.85%	29.24%	32.39%	N/A
<i>Citigroup Broad Market Index &lt; \$2BN</i>				2.90%				-2.02%	0.82%	29.28%	32.40%	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>2,803,616</b>	<b>10.3%</b>	<b>10.0%</b>	<b>3.15%</b>	<b>2,428,455</b>	<b>9.8%</b>	<b>10.0%</b>	<b>0.51%</b>	<b>3.68%</b>	<b>27.35%</b>	<b>23.83%</b>	<b>8.67%</b>
<i>MSCI EAFE - 50% Hedged</i>				2.93%				0.98%	3.94%	26.72%	22.56%	6.89%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	5,289,323	19.4%	18.3%	1.76%	4,757,059	19.2%	18.3%	1.65%	3.45%	-0.90%	7.36%	8.59%
<i>Lehman Aggregate</i>				1.53%				1.35%	2.90%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>												
Clifton Group	1,204,660	4.4%	6.1%	1.43%	1,086,538	4.4%	6.1%	N/A	N/A	N/A	N/A	N/A
Prudential	1,192,319	4.4%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>2,396,980</b>	<b>8.8%</b>	<b>6.1%</b>	<b>1.43%</b>	<b>1,086,538</b>	<b>4.4%</b>	<b>6.1%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				1.53%				1.35%				
<i>Index</i>												
Bank of ND	2,300,723	8.5%	12.2%	1.04%	3,152,586	12.7%	12.2%	1.08%	2.14%	-1.14%	1.14%	4.90%
<i>Lehman Gov/Credit (1)</i>				1.58%				1.30%	2.90%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>												
Wells Capital (formerly Strong)	5,279,776	19.4%	18.3%	1.95%	4,741,387	19.2%	18.3%	1.51%	3.49%	-2.11%	2.63%	N/A
<i>Lehman US Credit BAA</i>				2.02%				1.58%	3.63%	-2.37%	2.63%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>15,266,801</b>	<b>56.1%</b>	<b>55.0%</b>	<b>1.64%</b>	<b>13,737,571</b>	<b>55.5%</b>	<b>55.0%</b>	<b>1.43%</b>	<b>3.09%</b>	<b>-1.39%</b>	<b>6.59%</b>	<b>7.79%</b>
<i>Lehman Aggregate (2)</i>				1.53%				1.35%	2.90%	-0.81%	1.84%	5.28%
<b>CASH EQUIVALENTS</b>												
Bank of ND	2,170,683	8.0%	10.0%	0.45%	2,479,200	10.0%	10.0%	0.45%	0.90%	4.50%	2.71%	2.42%
<i>90 Day T-Bill</i>				0.44%				0.42%	0.87%	4.00%	2.37%	2.25%
<b>TOTAL FIRE &amp; TORNADO FUND</b>	<b>27,196,789</b>	<b>100.0%</b>	<b>100.0%</b>	<b>1.78%</b>	<b>24,740,455</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.62%</b>	<b>2.41%</b>	<b>5.27%</b>	<b>7.29%</b>	<b>5.27%</b>
<i>POLICY TARGET BENCHMARK</i>				1.81%				0.80%	2.62%	4.99%	6.57%	5.05%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.